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SUBJECT: GNEP BEIJING MINISTERIAL - AGREEMENT TO CONSIDER  
TRANSFORMATION TO THE INTERNATIONAL NUCLEAR ENERGY FRAMEWORK (INEF)

REF A: 09 STATE 106834  
REF B: BEIJING 2978

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Sensitive but unclassified - please protect accordingly.

¶1. (SBU) SUMMARY: China--led by National Development and Reform Commission (NDRC) Vice Chairman and National Energy Administration (NEA) chief ZHANG Guobao--hosted the third Global Nuclear Energy Partnership (GNEP) Executive Committee meeting on October 23 in Beijing. The U.S. delegation was led by Department of Energy (DOE) Deputy Secretary (DEPSEC) Daniel Poneman.

¶2. (SBU) At the meeting, all partners agreed to consider U.S.-proposed transformations to GNEP. First, all partners agreed to consider the elimination of the requirement that states sign a Statement of Principles to become partners, a step we understand has dissuaded certain key states from participating; instead, states would be asked simply to associate themselves with a simpler and wider-ranging vision statement. Second, all partners agreed to consider renaming the partnership the "International Nuclear Energy Framework" (INEF) to acknowledge the wider scope and broader participation envisioned under the transformation. At the meeting, the partners also agreed to explore ways to enhance the international framework for civil nuclear energy cooperation, and

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agreed that "cradle to grave" nuclear fuel management could be one important element of this framework. The concept of cradle-to-grave nuclear fuel management could be explored in more detail through GNEP/INEF working group activities. END SUMMARY.

#### USG-Proposed Transformation of GNEP

¶3. (SBU) In his April 5 Prague speech, President Obama called for a new framework for civil nuclear cooperation, including an international fuel bank, so that countries can access peaceful nuclear power while minimizing the risks of proliferation. The Global Nuclear Energy Partnership (GNEP) is a well-established international partnership, with technical and political representation, created to promote reliable, advanced nuclear fuel services and technologies. It is well suited to support President Obama's call for a new civil nuclear cooperation framework. Therefore, the United States is proposing a transformation whereby GNEP would serve as a forum to develop wide-ranging support for and facilitate implementation of the elements outlined by President Obama(ref A).

¶4. (SBU) At the GNEP Executive Committee meeting on October 23, 2009 in Beijing, the United States proposed two transformations to GNEP. The first was a simple, wide ranging "vision statement"

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intended to broaden the scope of partnership activities (see para 11). This is designed to replace the GNEP Statement of Principles, signature of which has been a requirement for states to become full partners of GNEP. Since certain key states have been reluctant to sign up to these principles, this change is also designed to promote wider participation in the future. Second, the United States has proposed a renaming of the Partnership to the "International Nuclear Energy Framework" (INEF) to reflect that broader scope and wider participation, and to decouple the initiative from certain negative connotations associated with the name GNEP. In addition to these proposed changes to the structure of GNEP, the United States proposed, and partners agreed to consider, the concept of "cradle-to-grave" (CTG) fuel cycle services as one important element of an enhanced framework for civil nuclear cooperation.

Preliminary consultations

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¶5. (SBU) Two weeks prior to the October 23 Executive Committee (Ministerial) meeting, the USG began reaching out to the 24 other GNEP partners and key observer states to explain and seek support for the proposals on name change, vision statement, and CTG fuel services. Initially, the United States called for all partners to adopt the proposed transformations at the Ministerial meeting, at which point the Steering Group (which oversees day-to-day GNEP

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functions) would develop a strategy to implement the changes by April 2010. The majority of partners concurred with this proposal and voiced support for the CTG concept, with Australia and Jordan offering particularly enthusiastic comments.

¶6. (SBU) However, several partners raised concerns. Russia felt that more time was needed to review the suggested changes to the GNEP structure. It also expressed concerns with the CTG concept that governments accept liability for used fuel. France and Russia noted discomfort with the word "framework" in the proposed name, and France offered "forum" as an alternative. France and Japan expressed concern over the characterization of existing used fuel recycling technologies in the CTG concept paper, and called for a softening of the language. Finally, China repeatedly queried the United States and others on the need for a renaming of the partnership, though this seemed to fall short of an outright objection. Since GNEP operates upon a principle of consensus, these views led to Steering Group agreement on October 22 not to accept the changes straight away, but to "explore some Partners' proposal for renaming" the partnership and to "examine" the draft vision statement.

Ministers Task Steering Group to Explore Changes  
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¶7. (SBU) NEA Administrator Zhang chaired the October 23 Ministerial meeting, at which DEPSEC represented the United States. In all, 42 countries attended the meeting (including 24 Partners) along with two observer organizations -- the International Atomic Energy Agency (IAEA) and the Generation IV International Forum. The U.S. delegation included representatives from the Departments of Energy, State, and Commerce, the Nuclear Regulatory Commission, and the National Security Council.

¶8. (SBU) Executive Committee members supported consideration of the U.S.-proposed changes, and the Steering Group's decision to "explore" the proposed renaming and "examine" the vision statement were captured in the agreed Joint Statement (see para 11 for full text). Notable contributions by participating Principals included the following:

-- DEPSEC noted the importance of leadership of all those attending the Executive Committee meeting for meeting collective long-term nuclear energy and climate change goals. DEPSEC referred to President Obama's call for a new framework for civil nuclear cooperation so that all countries can access peaceful nuclear power while minimizing proliferation risks. This framework could build on commercial models that exist today, to provide reassurance to the market and enhanced energy security. Confidence will come in the

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form of dependable fuel services that address the needs associated with all aspects of the commercial fuel cycle. DEPSEC stated U.S. interest in engaging with partners to explore practical ways to implement the concept of cradle-to-grave fuel services, building on the work of GNEP's Reliable Nuclear Fuel Services Working Group. DEPSEC noted that GNEP provides a suitable platform upon which states can work together to build a useful framework that is acceptable to all.

-- Zhang noted that GNEP is now one of the most influential

international initiatives on civil nuclear energy and stated that efforts to "reform the initiative" would yield fruitful results. Moreover, the proposed changes constitute a pragmatic approach to developing nuclear energy programs while minimizing the risk of proliferation (see ref B for more on Zhang's private remarks regarding the U.S. proposal). In his closing remarks he stated that it did not make economic or commercial sense for aspiring nuclear energy countries to develop costly enrichment and reprocessing facilities.

-- Keisuke Tsumura, the Parliamentary Secretary of Japan's Cabinet Office, commented that the Government of Japan, now under the new Hatoyama Administration, would continue to cooperate under GNEP and would "respect" the proposals described in the Joint Statement.

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-- Bernard Bigot, Chairman of France's Atomic Energy Commission, stated France would take the proposed changes seriously, understanding that it is often necessary to adjust in the face of new international circumstances. He then called for "careful study" to ensure against any shift away from the ideas enshrined in the original Statement of Principles.

-- Vladimir Kuchinov, Councilor to the Director General of the Russian State Atomic Energy Corporation (Rosatom), stated that the U.S.-proposed transformation is "quite important" and merits serious study, while the CTG proposal was "also very important" and needs to be discussed.

-- Dr. Myung Seung Yang, President, Korea Atomic Energy Research Institute (KAERI) of the Republic of Korea voiced support for the "expansion" of GNEP to INEF at an "important time," while stating that the CTG approach was a "good concept."

-- Argentine Secretary of Energy, Daniel Cameron, stated his government's view that the "redefinition of this initiative" would increase scope and participation. While stating that Argentina is "prepared to play a constructive role in this process," he cautioned that Argentina could not participate in GNEP if it believed this

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participation would infringe on its right to further develop its peaceful nuclear power program.

¶9. (SBU) Comment: At the meetings close, the United States walked away with agreement for the consideration of the proposed transformations. However, this is only the first step and the United States will have to work closely with other partners over the next few months to reach consensus on the changes. End Comment.

#### Side Meeting on Nuclear Security Summit

¶10. (SBU) Taking advantage of the participation of senior officials from the atomic energy ministries, a side meeting was held by U.S. National Security Council Senior Director for Weapons of Mass Destruction, Laura Holgate, to discuss the upcoming Nuclear Security Summit, which will be hosted by the White House in April 2009. Holgate included the GNEP delegations who have been invited to the Nuclear Security Summit to receive an update on the Summit plans and to review preparations which are underway. The meeting was well attended by approximately 14 delegations and provided a chance to discuss the U.S. goals and objectives for the Summit meeting. The Summit's key goals will be securing vulnerable stockpiles of nuclear materials from theft and boosting global cooperation to combat the trafficking of nuclear materials.

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#### Joint Statement

¶11. (U) Begin Joint Statement Text:

Global Nuclear Energy Partnership Joint Statement  
Third Executive Committee Meeting  
Beijing, China  
23 October 2009

The third Global Nuclear Energy Partnership (GNEP) Executive Committee Meeting was held in Beijing, China, on 23 October 2009, where ministers and other senior officials met to review and discuss ongoing GNEP activities, the results of these activities, and further steps to the peaceful use of nuclear energy in a manner that promotes safety, security and non-proliferation.

The Executive Committee welcomed 3 new Countries, which at this date comprises 25 Partner and 31 Observer nations. The GNEP Partners represent different countries from different economic and technical stages of development as well as major geographic regions throughout the world. The broad diversity of nations predicated on a core operating principle of co-equal consensus-based decision-making represents one of the greatest strengths of the Partnership.

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The Executive Committee reviewed and acknowledged the activities of the Infrastructure Development Working Group and Reliable Nuclear Fuel Services Working Group. The Executive Committee also received the report from the Steering Group concerning how the Partners have worked with the international community, in accordance with the GNEP 2008 Joint Statement, to promote the expansion of the peaceful use of nuclear energy to meet the challenge of global climate change, to contribute to the sustainability of energy supply, and to pursue new ways to support nuclear energy projects through financing mechanisms.

The Infrastructure Development Working Group (IDWG) reported on the following: it expanded its analysis of global human resources needs and created a Human Resources Modeling Tool, enhanced the on-line Infrastructure Development Resource Library, and completed an infrastructure assessment in Jordan and began another in Ghana; it held Resources and Gaps Workshops on human resources development as well as small and medium reactors, and it further engaged with external entities, including industry and academia. Finally, it created a Subgroup on Radioactive Waste Management and began activities in that area.

The Reliable Nuclear Fuel Services Working Group (RNFSWG) reported

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the following: it received reports from its sub-group on Lessons Learned and Resource Requirements; it established a second sub-group on Assurances a Country Should Seek as Sufficient for Nuclear Fuel Supply; it agreed on a work scope for a third sub-group on Approaches for Selecting Back-End Fuel Cycle Options as recommended by the Steering Group; it received IAEA presentations on fuel fabrication and multilateral nuclear approaches; and it hosted a workshop on the impact of fuel fabrication on fuel supply assurance which included the findings of an expert study on the international fuel fabrication market.

At the meeting, the Executive Committee reconfirmed that the use of nuclear energy is an effective measure against global warming and contributes to greater global energy security. The Executive Committee also recognized that the expansion of the peaceful use of nuclear energy will help lead to the creation of employment and sustainable economic growth. The Executive Committee reconfirmed that safety, security and non-proliferation/safeguards are fundamental prerequisites for the peaceful use of nuclear energy, and concluded that all Partnership activities should be conducted in a manner that enhances them.

Furthermore, the Partners are going to continue to support the development of the peaceful uses of nuclear energy globally in a

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safe and secure manner. The Partners concurred that they will work with the international community in a cooperative and positive manner, to:

(1) Further strengthen cooperation with the International Atomic Energy Agency (IAEA) and other relevant international organizations in order to make Partnership activities as effective and efficient as possible.

(2) Establish global recognition that the peaceful use of nuclear energy is an effective measure against global warming and contributes to greater global energy security, the creation of employment, and sustainable economic growth.

(3) Consider new approaches to enhance international collaboration on nuclear power infrastructure, including human resource development, radioactive waste management, financing and economics, exchange of experience on operation and construction, etc., and to make nuclear energy more widely accessible to the international community in accordance with safety, security and nonproliferation objectives.

(4) Explore mutually beneficial approaches that support international civil nuclear cooperation, including assurances of

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nuclear fuel supply and services for spent nuclear fuel management.

Recognizing global developments that have occurred since the Partnership was established on September 16, 2007, such as the increasing interests and needs by other countries regarding the peaceful use of nuclear energy, and in order to be as inclusive as possible of Partner countries' national energy priorities, the Executive Committee believes that transformation of GNEP is necessary in order to provide a broader scope with wider participation to explore mutually beneficial approaches that support the use of nuclear energy for peaceful purposes in a manner that is safe and secure and that strengthens the nuclear nonproliferation regime.

Therefore, the Executive Committee has decided to explore some Partners' proposal for renaming the Partnership and noted that the "International Nuclear Energy Framework" (INEF) could be one of the options. The Executive Committee will explore ways to enhance the international framework for civil nuclear energy cooperation, including assurances of fuel supply, so that countries can access peaceful nuclear power without increasing the risks of proliferation. Cradle-to-grave nuclear fuel management could be one important element of this framework. Furthermore the Executive

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Committee has decided to examine the following draft statement of vision, acceptance of which will be the sole action required of states to participate in future activities:

This framework provides a forum for cooperation among participating states to explore mutually beneficial approaches to ensure the use of nuclear energy for peaceful purposes proceeds in a manner that is efficient, safe, secure, and supports non-proliferation and safeguards.

The Executive Committee has tasked the Steering Group to act accordingly and to review the GNEP operational structure in order to adjust it to a possible new cooperation approach and to submit its finalized proposal to the Executive Committee by April 2010.

End Joint Statement Text.

12. (U) This cable was cleared by DEPSEC Poneman.

